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S E C R E T TAIPEI 002719

SIPDIS

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E.O. 12958: DECL: 06/20/2015
TAGS: [ETTC](#) [PARM](#) [PINR](#) [PREL](#) [PTER](#) [TW](#)
SUBJECT: TAIWAN MAY TIGHTEN EXPORT CONTROLS

REF: A. TAIPEI 2705
[B. TAIPEI 2682](#)
[C. TAIPEI 2475](#)
[D. TAIPEI 1909](#)

Classified By: AIT DIRECTOR DOUGLAS H. PAAL, REASON 1.5 (B), (D)

[¶1.](#) (S) As reported in ref A, AIT/T Econ Officer delivered the demarche requesting Taiwan assistance to investigate possible cases of sensitive technology being sold to Pakistan and Syrian entities. On the margins of the demarche, Wally Su, the head of the Board of Foreign Trade Export Control Working Group, raised three additional points regarding Taiwan and US cooperation on export controls.

Compliance Verification Study

[¶2.](#) (SBU) Su told AIT/T that BOFT is planning to start conducting a survey of 65 machine tool firms to assess compliance levels with current regulations. Su said that BOFT would review all customs manifests for machine tool exports by these firms to confirm whether they had obtained BOFT approval before shipment where required. In addition, BOFT will compile a table of end-users for analysis and plans to confirm some of the end-users on the export manifests. BOFT also wants to provide the US with its end-user data so that the Taiwan list can be compared with unreleased US "black lists." Su indicated that BOFT hopes to have some preliminary results from the study in about one month.

US Comments on Draft Export Controls

[¶3.](#) (C) Su asked about US comments on Taiwan's draft export control plan (reported in ref C). He noted that Taiwan had provided the draft plan to the US two weeks ago and that Taiwan wants to raise the plan with its machine tool industry as soon as possible. (Note: Su was not present at the meeting on June 20 when AIT/T met with Peter Ho, Director, Export Controls, Board of Foreign Trade. As reported in ref B, Ho had also taken the opportunity to ask if the US had any comments on Taiwan's draft export control program reported. End Note.)

Expanded Scrutiny

[¶4.](#) (S) Su noted that Taiwan's draft export control plan calls for a positive requirement for Taiwan firms to obtain an export permit to ship machine tools to North Korea. In addition, he said that BOFT is expanding its scrutiny of shipments to other countries of concern, such as Iran. Su said that BOFT would like to refer specific cases to US officials and receive a rapid response within two weeks. As discussed in ref D, BOFT would refer cases in writing to the US via AIT.

[¶5.](#) (S) COMMENT: Taiwan officials miss no opportunity to tell us they are expanding and tightening their system of export controls. However, to date, Taiwan has not requested US comment on any export control end-user checks or export license issuances. Our sense is that Taiwan is willing, even anxious, to have US concurrence on end-user checks, but is concerned over how long it will take to transmit information to Washington and to receive a response. In addition, Su, and other BOFT officials, regularly note their interest in receiving regular updates from US sources regarding names of companies that are suspected of involvement in illicit trade in sensitive technologies. End Comment.

PAAL